

**Report on compliance with
FCC Order 03-235**

LDMI Telecommunications, Inc.

June 30, 2004

Report of Independent Certified Public Accountants

Board of Directors
LDMI Telecommunications, Inc.

We have examined management's assertion, included in the accompanying letter, Appendix A, that LDMI Telecommunications, Inc. has complied with the FCC Compliance Requirements specified in FCC 03-235 as of June 30, 2004. Management is responsible for LDMI Telecommunications, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on LDMI Telecommunications, Inc.'s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about LDMI Telecommunications, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on LDMI Telecommunications, Inc.'s compliance with specified requirements.

In our opinion, management's assertion that LDMI Telecommunications, Inc. complied with the aforementioned requirements as of June 30, 2004 is fairly stated in all material respects.

Grant Thornton LLP

Southfield, Michigan
June 30, 2004



Appendix A – Management’s Representation to the FCC

In accordance with the FCC Report and Order 03-235, LDMI Telecommunications Inc. (“LDMI”) has established a comprehensive call tracking system to identify and compensate Payphone Service Providers (“PSPs”) for coinless payphone calls completed by LDMI.

The call tracking system is designed to comply with the following nine factors included in the FCC order.

1. Determine whether the carrier’s procedures accurately track calls to completion
2. Determine whether the carrier has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls
3. Determine whether the carrier has effective data monitoring procedures
4. Determine whether the carrier adheres to established protocols to ensure that any software , personnel, or other network changes do not adversely affect its payphone call tracking ability
5. Determine whether the carrier has created a compensable payphone call file by matching call detail records against payphone identifiers
6. Determine whether the carrier has procedures to incorporate call data into required reports
7. Determine whether the carrier has implemented procedures and controls needed to resolve payphone compensation disputes
8. Determine whether the independent auditor can test all critical controls and procedures to verify that errors are insubstantial
9. Determine whether the carrier has in place adequate and effective business rules for implementing and paying phones compensation, including rules used to
 - a. Identify calls originated from payphones
 - b. Identify compensable payphone calls
 - c. Identify incomplete or otherwise noncompensable calls
 - d. Determine the identities of the PSP’s to which the carrier owes money

In accordance with the FCC order we are disclosing the following information;

1. LDMI's Criteria for Identifying Calls Originating from Payphones

The existing process uses a table in our SQL database to identify calls originating from payphones by comparing the Information Digits (II) received with the Automatic Number Identification (ANI) from the originating carrier, with the values stored in this table.

The current values known to associate with public payphones are [27], [29], and [70].

2. LDMI's Criteria for Identifying Compensable Calls

The current process selects all calls with info digits of [27], [29], [70],

- a. Dialed number beginning with an [8] and has the same value in the next 2 digits (800, 888, 877, 866, etc),
or
- b. Contains a value in the Universal Access Number field, which identifies it as a Travelcode call.
- Answer supervision qualifier of [4] (Hardware answer)
- Did not arrive at the LDMI network over another carrier's facility. These calls are currently the responsibility of the first carrier to switch the call.

3. LDMI's Criteria for Identifying Incomplete or Otherwise NonCompensable Calls

Using the value provided by the DMS-250 for "answer supervision type", any call without an answer supervision qualifier of [4] is deemed incomplete.

4. LDMI's Criteria to Determine the Identities of the PSP's to Which It Owes Compensation

LDMI delivers those compensable calls to a third party provider of service, Atlantax, Inc., to be matched to the database of ANIs submitted by the PSP each quarter for payment.

5. The Identity of Any Clearinghouses LDMI Uses

Atlantax, Inc. is used to make payments to all PSPs.

6. The Types of Information That LDMI Needs From the PSP's in Order to Compensate Them

LDMI relies on Atlantax, Inc. to obtain appropriate information from PSPs to compensate them.

Very truly yours,
LDMI Telecommunications, Inc.



R. Michael Mahoney – Chief Financial Officer

LDMI Telecommunications, Inc. Contact Information for Dispute Resolution

Dispute resolution: Atlantax Systems, Inc.
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